

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 SAM-01 OMB-01 AF-08

TRSE-00 /094 W

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R 191154Z JUL 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 7891

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMCONSUL OPORTO

AMEMBASSY OSLO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY STOCKHOLM

DIA WASHDC

USMISSION NATO

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 4840

E.O. 11652: XGDS-4

TAGS: PINT, ELAB, OEXC, PO

SUBJECT: THE PPD'S ROLE WITH PORTUGUESE LABOR

REF: (A) LISBON 4764 (DTG 151210Z JUL 76),

(B) LISBON 4754 (DTG 150922Z JUL 76)

SUMMARY: THE POPULAR DEMOCRATIC PARTY (PPD) IS UNDERTAKING
AN EXPANDED LABOR PROGRAM. THE PPD SEEKS COOPERATION
FROM THE SOCIALISTS IN LABOR BUT HAS BEEN REJECTED.

THIS HAS AROUSED PPD SUSPICIONS OF THE MOTIVES OF SOME
PS LABOR LEADERS WHO THE PPD BELIEVES PREFER THE "UNITY

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OF THE LEFT." THE PPD HAS A SIGNIFICANT LABOR FOLLOWING,

AMONG WHITE COLLAR WORKERS IN NORTHERN PORTUGAL. THE CREATION OF A NEW LABOR-ORIENTED FOUNDATION AND A DEGREE OF WEST GERMAN SUPPORT SHOULD HELP THE PPD TO INCREASE ITS IMPACT. THERE IS SCOPE FOR BOTH THE PPD AND PS TO EXPAND THEIR LABOR PROGRAMS WITHOUT CREATING COUNTERPRODUCTIVE CROSS CURRENTS. END SUMMARY.

1. MARIO PINTO IS THE POPULAR DEMOCRATIC PARTY'S (PPD) TOP OFFICIAL FOR LABOR AFFAIRS. HE IS A PPD DEPUTY TO THE NATIONAL ASSEMBLY, A SENIOR MEMBER OF THE PARTY HIERARCHY, AND DIRECTOR OF THE HUMANITIES FACULTY AT CATHOLIC UNIVERSITY, LISBON. FOLLOWING ARE MAJOR POINTS PINTO MADE DURING A CONVERSATION WITH LABATT JULY 13:

2. LABOR UNITY OR LABOR PLURALISM: PINTO STATED THAT PORTUGAL MAY END UP WITH ONE, TWO, OR THREE SEPARATE LABOR CONFEDERATIONS, DEPENDING UPON DEVELOPMENTS. HE CLAIMED THERE IS NO EUROPEAN COUNTRY WITH A STRONG COMMUNIST PARTY WITH ONLY ONE NATIONAL LABOR CONFEDERATION. CONTROL OF THE LABOR MOVEMENT IS SUCH AN INTRINSIC PART OF COMMUNIST DOCTRINE THAT FREE LABOR CANNOT COEXIST IN A CONFEDERATION WHERE THERE IS STRONG COMMUNIST INFLUENCE EXCEPT IN A COMPLETELY SUBORDINATE POSITION. FOR THIS REASON PPD-LED UNIONS WOULD NEVER PARTICIPATE IN A COMMUNIST DOMINATED LABOR CONFEDERATION.

3. COOPERATION BETWEEN PPD AND THE SOCIALISTS: PINTO STATED THAT THE PPD'S PRIMARY OBJECTIVE IS TO BREAK THE COMMUNIST PARTY'S STRANGEHOLD ON LABOR. AT THE PRESENT TIME THIS IS ONLY POSSIBLE IF THERE IS BROAD COOPERATION BETWEEN THE SOCIALISTS AND THE PPD. OTHERWISE IT IS "LIKE TWO PYGMIES TRYING TO TACKLE A GIANT." THE PPD IS FULLY DISPOSED TOWARD SUCH COLLABORATION BUT THE PS HAS REJECTED THE IDEA. PINTO CLAIMED THE PS AND THE PPD HAVE SO MUCH IN COMMON THAT, IF IT WERE NOT FOR A "HANDFULL OF MARXISTS" WITHIN THE PS, THE PPD WOULD NOT EVEN NEED TO EXIST. HOWEVER, IT IS THE LABOR CONFIDENTIAL

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ACTIVISTS WITHIN THE SOCIALIST PARTY WHO DETERMINE THE PS UNION STRATEGY, AND THESE ARE IDENTIFIED HEAVILY WITH THE PARTY'S LEFT WING. ALTHOUGH THE RANK AND FILE OF THE PS AND THE PPD GET ALONG WELL AT THE UNION LEVEL, THE MORE IDIOLOGICALLY ORIENTED PS LABOR LEADERSHIP REPRESENTS THE OBSTACLE TO PS/PPD COOPERATION. AS A CONSEQUENCE THE PPD IS LEFT WITH NO ALTERNATIVE BUT TO GO IT ALONE.

4. COMMUNIST INFILTRATION IN LABOR: PINTO SAID THERE ARE UNDOUBTEDLY COMMUNIST PARTY (PCP) INFILTRATORS IN BOTH THE PS AND ULTRA-LEFT UDP LABOR CADRES. HE BELIEVES IT IS THE PRIME OBJECTIVE OF THE PCP TO PREVENT PS/PPD COLLABORATION. FOR THIS REASON HE SUSPECTS THE MOTIVES OF SOME SOCIALISTS WHO ADVOCATE THE "UNITY OF THE LEFT" AND A NEW, UNIFIED LABOR CONFEDERATION. THESE ARE THE PEOPLE MOST OPPOSED TO COOPERATION WITH THE PPD. HE CITED SEVERAL RECENT CASES WHERE THE LACK OF COLLABORATION BETWEEN THE TWO DEMOCRATIC PARTIES ALLOWED THE PCP TO WIN UNION ELECTIONS BY A SLIGHT PLURALITY OF VOTES. HE ALSO CITED INSTANCES WHEN PS UNION LEADERSHIPS SUPPORTED PCP DEMANDS AGAINST THE SIXTH GOVERNMENT. HE ANTICIPATED THAT MARIO SOARES WILL HAVE PROBLEMS FROM SOCIALIST UNIONS IN THE FUTURE.

5. PPD'S LABOR BASE: PINTO SAID THAT UNTIL NOW THE PARTY HAD BEEN SO INVOLVED IN ELECTORAL CAMPAIGNS THAT IT HAD NOT PAID ADEQUATE ATTENTION TO ITS LABOR BASE. HE CLAIMED THAT THE PPD'S SUPPORT IN LABOR IS FREQUENTLY UNDERESTIMATED SIMPLY BECAUSE PARTY MEMBERS HAD NOT RUN FOR UNION OFFICE UNDER THE PARTY LABEL. THE PPD IS WELL REPRESENTED IN MANY UNIONS IN NORTHERN PORTUGAL. FOR EXAMPLE, A PPD SLATE HAD DEFEATED DETERMINED EFFORTS BY BOTH PS AND PCP TO CAPTURE THE OPORTO BANK WORKERS UNION. HE DENIED THAT THE PPD'S LABOR SUPPORT IS ONLY IN NORTHERN WHITE COLLAR UNIONS.

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C O N F I D E N T I A L SECTION 2 OF 2 LISBON 4840

THREE LEADERS OF THE LISBON COMMERCIAL WORKERS ARE
PPD MEMBERS AND A NUMBER OF INDUSTRIAL UNIONS IN THE
AVEIRO REGION ARE ALSO PPD CONTROLLED.

6. PPD'S EXPANDED LABOR PROGRAM: PINTO INDICATED THAT
THE PPD HAD OBTAINED SOME LIMITED SUPPORT FROM THE
WEST GERMAN SPD TO BEEF UP ITS LABOR EFFORT. HE
STATED THAT THE PPD WILL PLACE LABOR COORDINATORS IN
BOTH NORTHERN AND SOUTHERN PORTUGAL AND WILL PAY A NUMBER
OF ORGANIZERS WHO WILL BE ASSIGNED TO PARTICULAR INDUSTRIAL
SECTORS. THESE "PARTY OFFICIALS" WOULD CONCENTRATE
ON PROVIDING COORDINATION, DIRECTION, AND SUPPORT
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TO PPD LABOR CADRE IN INDIVIDUAL UNIONS. EMPHASIS
WOULD BE PLACED ON ENCOURAGING PPD MEMBERS AS INDIVIDUALS
TO TAKE A MORE ACTIVE ROLE IN THE UNIONS RATHER THAN
ON ORGANIZING EXCLUSIVELY PPD SLATES OF CANDIDATES
FOR UNION OFFICES. EFFORT WOULD BE MADE TO KEEP THE
PROGRAM COMPLEMENTARY TO SOCIALIST PARTY LABOR ACTIVITIES.
PINTO SAID THAT FINDING QUALIFIED PEOPLE FOR SUCH A
PROGRAM WAS NOT DIFFICULT AS THE PPD HAD MANY DEDICATED,
CAPABLE MILITANTS. WHAT HAD BEEN LACKING WERE THE
FUNDS TO ALLOW THESE PEOPLE TO DEVOTE THEIR FULL TIME
TO PARTY LABOR ACTIVITIES.

7. COMMENT: ALSO ON JULY 13 THE PPD ANNOUNCED THE
FORMATION OF THE OLIVEIRA MARTINS SOCIAL DEMOCRATIC
FOUNDATION (FUNDACAO SOCIAL-DEMOCRATA OLIVEIRA MARTINS). AN
INITIAL GRANT OF \$14,000 WAS PROVIDED BY THE PARTY
FOR "POLITICAL, ECONOMIC, AND SOCIAL INVESTIGATION"
AND TO "PROMOTE INTERNATIONAL COOPERATION." THE
FOUNDING MEMBERS OF THE FOUNDATION INCLUDE PPD LEADERS

SA CARNEIRO, RUI MACHETE, AND MARIO PINTO.

8. THE LABOR ATTACHE OF THE FRG EMBASSY TOLD LABATT JULY 15 THAT SOME 20 PPD LABOR LEADERS HAD DEPARTED RECENTLY TO COMMENCE A YEAR'S PROGRAM IN WEST GERMANY.

9. INCREASED PPD ATTENTION TO LABOR IS LONG OVERDUE. OF PARTICULAR IMPORTANCE IS THE PPD'S ANNOUNCED INTENTION TO AVOID MUTUALLY DESTRUCTIVE CONFRONTATIONS WITH THE PS OVER LABOR ISSUES. IF THE PPD SHOULD SUCCEED IN BUILDING A MORE SIGNIFICANT LABOR BASE, AND THUS BE ABLE TO APPROACH THE PS ON MORE EQUAL TERMS, THERE MAY BE A BETTER CHANCE FOR FUTURE COOPERATION BETWEEN THE TWO PARTIES. UNDER PRESENT CIRCUMSTANCES ANY ALLIANCE BETWEEN THE PS AND THE PPD IN THE UNIONS WOULD PROBABLY CAUSE THE PS TO LOSE AS MANY VOTES ON THE LEFT AS IT WOULD GAIN FROM THE CENTER. IN ANY CASE, EVENTS OF THE PAST TWO YEARS HAVE SHOWN THAT THERE IS PLENTY OF ROOM FOR BOTH THE SOCIALISTS AND THE PPD TO EXPAND THEIR LABOR PROGRAMS WITHOUT BUMPING INTO EACH OTHER.

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10. THE EMBASSY HAS ENCOURAGED INCREASED PPD ACTIVITY IN THE LABOR AREA. THE AMBASSADOR HAS SPOKEN DIRECTLY WITH SA CARNEIRO ON THE SUBJECT. PINTO'S STATEMENTS REFLECT THE COMMON PPD LINE THAT THE PS WILL REVERT TO SOME CLOSER ASSOCIATION WITH THE PCP AND MUST BE VIEWED IN LIGHT OF THE PPD'S OWN POLITICAL OBJECTIVES. PINTO'S STATEMENTS ARE ALSO SELF-SERVING IN THAT HE IS ALREADY SEEKING FOREIGN SUPPORT FOR HIS PARTY'S LABOR PROGRAM.

11. THE EMBASSY BELIEVES THAT ONLY THE PS HAS A LABOR BASE WITH THE PRESENT OR FUTURE POTENTIAL OF COMPETING WITH THE COMMUNISTS. EVEN ACCEPTING PINTO'S STATEMENTS AT FACE VALUE, THE PPD HAS ONLY LIMITED POTENTIAL IN LABOR. PINTO TACITLY ACKNOWLEDGES THIS. THEREFORE IT IS IMPORTANT THAT U.S. RELATIONS WITH NON-COMMUNIST LABOR IN PORTUGAL BE PLANNED WITH THIS AWARENESS. PROGRAMS OVERTLY IDENTIFYING THE U.S. WITH THE PPD LABOR PROGRAM WOULD STRENGTHEN THE HAND OF THOSE PS LEFT WINGERS FAVORING THE "UNITY OF THE LEFT." POORLY HANDLED ATTEMPTS TO STRENGTHEN AN IDEOLOGICALLY ATTRACTIVE PPD COULD EASILY ALIENATE THE ONE DEMOCRATIC PARTY HAVING STRENGTH IN LABOR.
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